

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, JANUARY 25, 2006, 2:00 P.M.
Room W020, West Office Building, State Capitol Complex

Members Present: Sen. Greg Bell, Co-Chair
Rep. Kory M. Holdaway, Co-Chair
Sen. Carlene Walker
Sen. Patrice Arent
Rep. Sheryl Allen
Rep. David Clark
Rep. Bradley Daw
Rep. Margaret Dayton
Rep. John Dougall
Rep. Susan Lawrence
Rep. Scott L. Wyatt
Rep. Patricia W. Jones
Rep. Carol Spackman Moss
Rep. LaWanna "Lou" Shurtliff

Members Excused: Sen. Peter Knudson
Sen. Dan Eastman

Staff Present: Spencer Pratt, Senior Legislative Fiscal Analyst
Rolayne Day, Secretary

Public Speakers Present: Commissioner Richard Kendell
Sen. Hickman
Dr. David Pershing, VP Academic Affairs, UU
Dr. Michael Vaughn, Provost, WSU
Kevin Walthers, Assistant Commissioner
Pres. Michael Benson, Snow College
Dr. David Cowley, USU, Associate VP for Business & Finance

A list of visitors and a copy of handouts are filed with the committee minutes.

1. Call to Order—Committee Co-Chair Bell called the meeting to order at 2:10 p.m.
2. Approval of Minutes—A quorum was not present to approve the minutes.
3. Request for Appropriations—Sen. Hickman introduced 1st Substitute S.B. 121, Small College Enhancements. The bill provides appropriations to assist the seven smaller higher educational institutions (excluding UU and USU). Sen. Hickman said he had contacted the president of each of the institutions and asked for a list of program enhancements and new programs that the Trustees had approved but were not funded.

Sen. Hickman said the smaller schools don't receive research dollars as the two research institutions do, and there is a growing gap in the level and quality of education. The bill is an attempt to enhance programs on the smaller campuses and improve the quality of education. The bill itemizes the proposed programs including the cost and has a fiscal note over \$11 million.

Commissioner Kendell said the bill acknowledges needs throughout the state, and no program on the list is outside an institutional mission. The Regents' budget request includes like programs, but the difference is the exclusion of the U of U and USU in the bill.

Sen. Walker asked if there was still a problem with transferability of credits. Commissioner Kendell said every once in a while a course might not transfer and they have to tweak the transfer agreements. Usually the problem comes when someone changes majors.

Sen. Hickman said it isn't always possible to find the very best instructors for smaller schools with smaller budgets. There needs to be dramatic salary improvements in higher education to be competitive.

Rep. Allen asked about the allocation designated for a WSU program for Hill Air Force Base. Commissioner Kendell said there is an opportunity to do something important for Hill. To do it properly, however, a partnership between Weber, UCAT, and at least one of the research institutions is necessary to really meet the technical engineering needs at Hill.

Rep. Wyatt said that if the goal is to help those who are attending small programs, other areas ought to fit into the bill; USU's Brigham City and Uintah Basin programs could be classified as small schools. Sen. Hickman said the two research institutions have an advantage because they have a tremendous amount of research money coming in. He feels the bill would help level the playing field for smaller schools. Rep. Wyatt said that research money doesn't flow to the extension campuses.

Sen. Arent wants to put \$11 million more into higher education, but is concerned about not going through the Regents' process. Sen. Hickman said historically the Regents' requests have never been fully funded. The Legislature has not funded higher education adequately to allow programs to grow and to provide a better education for students, so he decided to do something about it.

Rep. Dayton said one of the best things the Legislature can do is give institutions as much money as possible and let them do what they want with it. She fully supports the bill. Rep. Holdaway said his only criticism is that it isn't enough, but he is concerned about following Leadership guidelines. Sen. Hickman said funding for the bill would be in addition to whatever Higher Education receives. He said it would be his responsibility to find the money to fund the bill, and he wouldn't fund it if it impacts the Regents' requests.

Rep. Dougall said college presidents are the best judges of what is needed, so why not just give block grants. Sen. Hickman said he wanted to be more specific so the Committee could see the priorities.

Rep. Shurtliff is concerned that the two research institutions aren't included. Commissioner Kendell said he would like to have the bill amended to allow partnerships because he feels it would accelerate the process by two or three years.

Sen. Bell said the Committee must decide what action should be taken regarding 1st Substitute S.B. 121. Rep. Dayton said she could make a motion to support this bill (a quorum was not present at this time). Rep. Wyatt said he is for the bill, but is concerned about leaving out branch campuses of the research institutions. Rep. Jones said it is hard to vote against it, but the practical matter is that she is concerned as well. Rep. Moss thinks the needs are appropriate, but is concerned that it will take away from higher education funding. Sen. Bell said an appropriate motion would be to support the bill if it is separate from other funds appropriated to higher education.

The bills that were to be discussed by Reps. Painter and Buttars will be acted upon by other committees.

4. Student Success/Common Missions—Analyst Spencer Pratt referred the Committee to Tab 3, page 9, in the Budget Book. Many students are not completing required course work in a timely manner. Some students have more credit hours than necessary, and although that could be good, it is costing both the student and the State a significant amount of money. In some cases, students can't get into a class they need to graduate, so they take something else to fill the credit hours. The Analyst recommends funding \$2 million for various student success needs as follows: \$542,100 at the UU, \$357,000 at USU, \$242,900

at WSU, \$95,600 at SUU, \$52,000 at Snow, \$83,600 at Dixie, \$50,000 at CEU, \$289,100 at UVSC, and \$287,700 at SLCC. The original request from the Board of Regents was \$10 million.

Dr. David Pershing, Senior Vice President for Academic Affairs, UU, said compensation, retention funds, and fuel and power requests are critical. The purpose of the Student Success requests is to help students get through college in an efficient manner. There are three parts to the Student Success request: (1) advisors—there is a serious shortfall across the system; (2) additional full-time faculty for the critical areas; and (3) retention and graduation funding to help students graduate in a timely manner.

Dr. Michael Vaughn, Provost, WSU, said college participation rates are going down in Utah. Seventy-two percent of the Utah students who begin college graduate. The Student Success request would help to improve that percentage.

5. USU Reallocation—(Tab 3, page 17) The Analyst recommends a shift in funding from one program to two other programs at USU to more accurately reflect where the costs belong. The Education and General budget would be decreased by \$45,700 with the budget of the Brigham City Continuing Education Center increased by \$41,300. The budget of the Tooele/Wasatch Continuing Education Center would be increased by \$4,400. There is no net fiscal impact to this recommendation.
6. CEU Realignment—(Tab 3, page 29) The Analyst recommends folding the distance education line item in Price (\$138,500) into the E & G line item and the distance education line item at San Juan (\$138,200) into the San Juan Center line item to simplify bookkeeping.
7. Utility Rate Increases—(Tab 3, page 31) Although usage has not increased, the costs have increased substantially (about \$5 million system wide). Mr. Pratt said this request didn't make it onto the Analyst's funding list. It is a serious issue, and the Analyst recommends that the Committee discuss this concern and put it on the priority list.

Rep. Dougall asked why there are differences of percentage increases across the system. Kevin Walthers, Assistant Commissioner, said one reason is that different power companies serve the institutions. The University of Utah buys fuel from the well head and gets a lower cost. Increases also could be influenced because a new building came on line. Sometimes institutions are in different rate categories even if they are in the same geographic area. UVSC is nearly all electric, and some institutions have switched to other plans during the year. Mr. Walthers said it has been frustrating over the last few years to have the backlog of unfunded fuel and power. Last year, higher education was given \$5 million for fuel and power and agreed to zero out the "unfunded" amount.

8. Committee Business—Sen. Bell noted the February 1 meeting has been cancelled by Legislative Leadership. Items previously scheduled for that day will be heard on February 2.

MOTION: Rep. Clark moved to adjourn.

Committee Co-Chair Bell adjourned the meeting at 3:52 p.m.

Minutes were reported by Rolayne Day, Secretary.